R Ramani a/l M Ramalingam (suing on behalf of the Recording Industry Association of Malaysia, a registered society) & Ors v Deluxe Exclusive Lounge Sdn Bhd and another suit

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT NOS 22IP-32–06 OF 2016 AND 22IP-33–06 OF 2016
WONG KIAN KHEONG JC
21 DECEMBER 2016

Civil Procedure — Transfer of action — High Court to High Court — Plaintiffs filed suits at Intellectual Property High Court in Kuala Lumpur ('IP Court') against defendants for infringement of copyright — Defendants applied to transfer suits to Johor Bahru High Court ('JB Court) — Whether IP Court in Kuala Lumpur had jurisdiction to try present case — Whether IP Court should exercise its discretion to transfer suits to JB Court — Courts of Judicature Act 1964 ss 3 & 23 — Federal Constitution arts 121(1)(a) & 160(2) — Rules of Court 2012 O 57

The plaintiffs had commenced two separate suits in the Intellectual Property High Court in Kuala Lumpur ('the IP Court') against the first and second defendants for infringement of copyright of the plaintiffs' sounds recording. In the present action, the defendants had each filed applications to transfer the two suits to the Johor Bahru High Court ('the JB Court') pursuant to O 57 r 1 of the Rules of Court 2012 ('the ROC') based on the facts that the cause of action arose in Johor Bahru ('JB'); the defendants had their place of business in JB; and the facts on which the two suits were based occurred in JB ('the three facts'). The defendant had also contended that the IP Court could only try IP disputes which arose in Kuala Lumpur. The issue for court's consideration was whether the IP Court should exercise its discretion to transfer the two suits to JB Court.

Held, dismissing the defendants' applications with costs of RM2,000 subject to allocatur:

(1) By virtue of art 121(1)(a) of the Federal Constitution ('the Constitution'), the IP Court as a High Court in Malaya has jurisdiction as conferred by 'federal law'. The Courts of Judicature Act 1964 ('the CJA') is a 'federal law' as defined under art 160(2) of the Constitution. Section 23(1) of the CJA is a provision which expressly confers jurisdiction on the High Court to try cases. According to s 3(a) of the CJA, the 'local jurisdiction' of the High Court in Malaya comprises of the 'territory comprised in the States of Malaya', including the Federal

Territory. Based on the plaintiffs' statement of claim, the three facts occurred in JB, within the 'local jurisdiction' of the IP Court. Thus, the IP Court had the jurisdiction under s 23(1)(a), (b) and/or (c) of the CJA to try the two suits (see para 11).

(2) Despite the fact that the three facts were relevant under O 57 r 1(4)(A)–(C) of the ROC, the court declined to exercise its discretion under O 57 r 1(1) of the ROC to transfer the two suits to JB Court for the following reasons: (a) there was no affidavit evidence to show why the two suits could not be 'fairly tried' in the IP Court; (b) the two suits could be 'more conveniently' tried in the IP Court which specialises solely in intellectual property ('IP') matters; (c) the purposes for establishing the IP Court were to promote, if not ensure, the uniformity, consistency and predictability in the development of IP jurisprudence and case law by the IP Court; and to promote IP specialisation of the judge or judicial commissioner sitting in the IP Court; and (d) the very objective of establishing the IP Court would be defeated by allowing the transfer of the two suits to JB Court (see para 14).

[Bahasa Malaysia summary

Plaintif-plaintif telah memulakan dua tindakan berasingan di Mahkamah Tinggi Kuala Lumpur (Harta Intelek) ('Mahkamah IP') terhadap defendan pertama dan kedua bagi pelanggaran hak cipta rakaman bunyi plaintif. Dalam tindakan ini, setiap defendan telah memfailkan permohonan-permohonan untuk memindahkan kedua-dua tindakan tersebut ke Mahkamah Tinggi Johor Bahru ('Mahkamah JB') berikutan A 57 k 1 Kaedah-Kaedah Mahkamah 2012 ('KKM') berdasarkan atas fakta bahawa kausa tindakan berbangkit di Johor Bahru ('JB'); tempat perniagaan defendan-defendan adalah JB; dan fakta atas mana kedua-dua tindakan tersebut didasarkan berlaku di JB ('ketiga-tiga fakta'). Defendan juga berhujah bahawa Mahkamah IP hanya boleh membicarakan pertikaian IP yang berbangkit di Kuala Lumpur. Isu untuk penentuan mahkamah adalah sama ada Mahkamah IP patut melaksanakan budi bicaranya untuk memindah kedua-dua tindakan tersebut ke Mahkamah JB.

Diputuskan, menolak permohonan-permohonan defendan-defendan dengan kos sebanyak RM2,000 tertakluk kepada alokatur:

(1) Mengikut perkara 121(1)(a) Perlembagaan Persekutuan ('Perlembagaan'), Mahkamah IP sebagai Mahkamah Tinggi di Malaysia mempunyai bidang kuasa seperti yang diberikan oleh 'federal law'. Akta Mahkamah Kehakiman 1964 ('AMK') adalah '*federal law*' seperti yang didefinisikan di bawah perkara 160(2) Perlembagaan. Seksyen 23(1) AMK adalah peruntukan yang secara jelas memberikan bidang kuasa kepada Mahkamah Tinggi untuk membicarakan kes-kes. Mengikut s 3(a) AMK, '*local jurisdiction*' Mahkamah Tinggi di Malaysia terdiri

daripada '*territory comprised in the States of Malaya*', termasuk Wilayah Persekutuan. Berdasarkan ke atas pernyataan tuntutan plaintif-plaintif, ketiga-tiga fakta berlaku di JB, dalam '*local jurisdiction*' Mahkamah IP. Oleh itu, Mahkamah IP mempunyai bidang kuasa di bawah s 23(1)(a), (b) dan/atau (c) AMK untuk membicarakan kedua-dua tindakan tersebut (lihat perenggan 11).

(2) Meskipun fakta bahawa ketiga-tiga fakta adalah relevan di bawah A 57 k 1(4)(A)–(C) KKM, mahkamah menolak daripada menjalankan budi bicaranya di bawah A 57 k 1(1) KKM untuk memindahkan kedua-dua tindakan ke Mahkamah JB bagi alasan-alasan berikutnya: (a) tidak terdapat keterangan afidavit untuk menunjukkan mengapa kedua-dua tindakan tersebut tidak dapat *'fairly tried'* di Mahkamah IP; (b) kedua-dua tindakan boleh '*more conveniently*' dibicarakan di Mahkamah IP yang mana mengkhusus semata-mata di dalam perkara-perkara harta intelek ('IP'); (c) tujuan-tujuan untuk menubuhkan Mahkamah IP adalah untuk mempromosikan, jika tidak memastikan keseragaman, konsisten dan kebolehramalan dalam pembangunan jurisprudens IP dan kes undang-undang oleh Mahkamah IP; dan untuk mempromosikan pengkhususan IP oleh hakim atau pesuruhjaya kehakiman yang bertugas di Mahkamah IP; dan (d) objektif sebenar menubuhkan Mahkamah IP akan dipatahkan jika membenarkan pemindahan kedua-dua tindakan ke Mahkamah JB (lihat perenggan 14).]

Notes

For cases on High Court to High Court, see 2(5) *Mallal's Digest* (5th Ed, 2015) paras 10308–10315.

Cases referred to

American Express Bank Ltd v Mohamad Toufic Al-Ozeir & Anor [1995] 1 MLJ 160; [1995] 1 CLJ 273, SC (refd)

Asia Debut Sdn Bhd v Kementerian Pendidikan Malaysia & Ors [2015] 9 MLJ 770, HC (refd)

China Harbour Engineering Company Ltd v Lunar Shipping Agencies Sdn Bhd [2016] MLJU 1252; [2016] AMEJ 1185, HC (refd)

Goodness For Import And Export v Phillip Morris Brands Sarl [2016] 5 MLJ 171, FC (refd)

Hap Seng Plantations (River Estates) Sdn Bhd v Excess Interpoint Sdn Bhd & Anor [2016] 3 MLJ 553, FC (refd)

Jayasankaran v PP [1983] 1 MLJ 379, FC (refd)

Malacca Securities Sdn Bhd v Loke Yu [1999] 6 MLJ 112; [1998] 3 CLJ 22, HC (refd)

Megat Najmuddin bin Dato Seri (Dr) Megat Khas v Bank Bumiputra (M) Bhd [2002] 1 MLJ 385, FC (refd)

A *Ooi Bee Tat v Tan Ah Chim & Sons Sdn Bhd & Anor and another appeal* [1995] 3 MLJ 465, SC (refd)
Panaron Sdn Bhd v Univac Switchgear Sdn Bhd [2015] 9 MLJ 498; [2015] 2 CLJ 286, HC (refd)

B **Legislation referred to**

Companies Act 1965 s 16(5)
Copyright Act 1987 s 37(7)
Courts of Judicature Act 1964 ss 3, 3(a), 4, 20, 23, 23(1), (1)(a), (1)(b), (1)(c), (1)(d), (2), Schedule, para 12
C Federal Constitution arts 121(1)(a), 160(2)
Rules of Court 2012 O 34 r 2(2)(e)(i), O 57 r 1, 1(1), (4)(A), (4)(B), (4)(C), (4)(D), (4)(E), O 59 r 7(4)
Rules of the High Court 1980

D *Su Siew Ling (Khon Chee Peng with her) (Zaid Ibrahim & Co) for the plaintiffs.*
Mohd Fairuz bin Mahmood (Mohd Akhir & Partners) for the defendant.

Wong Kian Kheong JC:

E SOLE ISSUE

[1] This judgment concerns two suits — Civil Suit No 22IP-32–06 of 2016 (the first suit) and Civil Suit No 22IP-33–06 of 2016 (the second suit). The first and second suits shall be referred to in this judgment as 'the two suits'.
F

[2] The two suits raised a novel question of whether the Intellectual Property High Court in Kuala Lumpur ('the IP Court') should exercise its discretion under O 57 r 1(1) of the Rules of Court 2012 ('the RC') to transfer the two
G suits to the Johor Bahru High Court ('the JB Court') for the following reasons:

(a) the cause of action arose in Johor Bahru ('JB');

(b) the defendants in the two suits ('the defendants') have their place of business in JB; and

H (c) the facts on which the two suits are based, occurred in JB.

BACKGROUND

[3] The two suits have been filed by three plaintiffs. On 25 August 2016,
I only the first plaintiff ('the first plaintiff') discontinued the two suits with costs of RM1,000 for each case to be paid by the first plaintiff to each of the defendants. Henceforth, the two suits are proceeded with by the second and third plaintiffs (the second and third plaintiff). This judgment will refer to the second and third plaintiffs as 'the plaintiffs'.

[4] In these two suits, the plaintiffs pleaded as follows, among others, in their statements of claim ('the two SOC'):

(a) the plaintiffs carry on for commercial purposes, among others, the recording of songs and other performances by singers and artistes, the making and production of sound recordings, audio-visual recordings and karaoke recordings;

(b) the second plaintiff owns the copyright in the sound and/or karaoke recordings entitled '*Gadis Melayu*' ('the first work') and '*Seroja*' ('the second work') by Dato' Jamal Abdillah;

(c) the third plaintiff is the copyright owner of '*Percayalah*' ('the third work') and '*Cindai*' ('the fourth work') by Dato' Siti Nurhaliza;

(d) in the first suit, the first defendant company ('the first defendant') has its:

(i) registered address in Muar, Johore; and

(ii) business address in JB ('the first defendant's business premises');

(e) in the second suit, the second defendant company ('the second defendant') has its registered and business addresses ('the second defendant's business premises') in JB;

(f) the records of the Companies Commission of Malaysia show that:

(i) the first defendant operates a 'nightclub' business; and

(ii) the second defendant's business is 'club house, music karaoke, amusement and recreation centre';

(g) on or around 13 December 2012, 21 April 2013, 2 July 2015 and 25 August 2015, licensing officers from Recording Industry Association of Malaysia ('RIM') had visited the first defendant's business premises and found that the first defendant had stored, reproduced and/or played the sound and/or karaoke recording of the first to third works for the purposes of the first defendant's nightclub business without the plaintiffs' license, permission or consent;

(h) on or about 25 August 2015, the Enforcement Division of the Ministry of Domestic Trade, Co-operatives and Consumerism ('KPDNKK') had raided the first defendant's business premises and seized, among others, the first defendant's server which consisted the first to third works;

(i) on or around 13 December 2012 and 25 August 2015, RIM's licensing officers had visited the second defendant's business premises and found that the second defendant had stored, reproduced and/or played the sound and/or karaoke recording of the first and fourth works for the

purposes of the second defendant's business as a 'club house, music karaoke, amusement and recreation centre' without the plaintiffs' license, permission or consent;

(j) on or about 25 August 2015, KPDNKK raided the second defendant's business premises and seized, among others, the second defendant's server which consisted the first and fourth works; and

(k) the defendants had infringed the plaintiffs' copyright in the first to fourth works and the plaintiffs prayed for the following relief against the defendants, among others:

(i) a permanent injunction to restrain the defendants from infringing the plaintiff's copyright in the first to fourth works;

(ii) a publication of full apology by the defendants to the plaintiffs:

(1) in terms, content and format acceptable to the plaintiffs;

(2) in three daily newspapers of the plaintiff's choice; and

(3) of a size and at a page of the newspapers to be specified by the plaintiffs;

(iii) an inquiry of damages and payment of damages by the defendants to the plaintiffs after such an inquiry;

(iv) additional damages pursuant to s 37(7) of the Copyright Act 1987; and

(v) aggravated damages.

THE DEFENDANTS' TWO APPLICATIONS ('TWO APPLICATIONS')

[5] The two applications are:

(a) court encl No 5 in the first suit; and

(b) court encl No 4 in the second suit

— to transfer the two suits to JB Court.

[6] The defendants are represented by learned counsel, Encik Mohd Fairuz bin Mahmood ('Encik Mohd Fairuz') while Ms Su Siew Ling ('Ms Su') acted for the plaintiffs.

[7] All the parties agreed for the two applications to be heard together as the two applications concerned the sole question of whether the IP Court should exercise its discretion to transfer the two suits to JB Court.

[8] In support of the two applications, Encik Mohd Fairuz submitted as follows, among others:

(a) the cause of action for the two suits arose in JB;

(b) the defendants' business premises are in JB ('the defendants' business premises'). This is clear from KPDNKK's raid on the defendants' business premises;

(c) the facts on which the two suits are based, occurred in JB;

(d) the above three facts ('three facts'):

  (i) fall under s 23(1)(a)–(c) of the Courts of Judicature Act 1964 ('the CJA'); and

  (ii) fulfil O 57 r 1(4)(A), (B) and (C) of the RC;

(e) the following reasons make it desirable in the interest of justice to transfer the two suits to JB Court within the meaning of O 57 r 1(4)(E) of the RC:

  (i) all the defendants' witnesses reside in JB. KPDNKK's officers who raided the defendants' business premises, are based in JB. If the two suits are tried in the IP Court, the defendants' witnesses and KPDNKK's officers have to expend time, effort and expense to travel from JB to testify in the IP Court;

  (ii) the defendants' servers ('the servers') are in KPDNKK's custody in JB. If the IP Court tries the two suits, KPDNKK's officers have to bring the servers to the IP Court; and

  (iii) in view of the above reasons, the plaintiffs have abused court's process by filing the two suits in the IP Court when the plaintiffs could have easily instituted the two suits in the JB Court. The same solicitors for the plaintiffs in these two suits had filed six other copyright infringement cases for other clients against other defendants in the Kuala Lumpur subordinate courts ('six other cases'). The six other cases could have easily been filed in JB subordinate courts (due to the existence of the three facts). These six other cases showed the abuse of court process by the plaintiffs' solicitors;

(f) there is no Practice Direction, Chief Registrar's Circular or Circular from the Registrar of the High Court of Malaya which has expressly provided that only the IP Court can hear intellectual property disputes ('IP disputes') in West Malaysia. Based on the Practice Direction No 6 of 2013 ('PD No 6/2013'), the IP Court is only one of the 'new commercial courts' to hear IP disputes which arise in Kuala Lumpur ('KL'). This is clear from para 13 of PD No 6/2013;

(g) the IP Court is unlike the Construction Court in Kuala Lumpur and Shah Alam ('the construction court). By virtue of the Chief Registrar's Circular No 2 of 2013 ('CR's Circular No 2/2013'), the construction court has been specifically established to hear all construction disputes;

(h) if the two suits are transferred to JB Court, the learned judge or judicial commissioner serving in JB Court will be given the opportunity to be exposed to IP matters; and

(i) reliance had been placed on the High Court's decision in *Asia Debut Sdn Bhd v Kementerian Pendidikan Malaysia & Ors* [2015] 9 MLJ 770.

[9] Ms Su had opposed the two applications on the following grounds, among others:

(a) the two suits concerned copyright infringement. The 'very purpose' of establishing the IP Court is for the IP Court to deal with all IP disputes. As such, the IP Court is the proper forum to try the two suits. Ms Su relied on the following cases:

(i) the High Court case of *Malacca Securities Sdn Bhd v Loke Yu* [1999] 6 MLJ 112; [1998] 3 CLJ 22; and

(ii) the Supreme Court's judgment in *American Express Bank Ltd v Mohamad Toufic Al-Ozeir & Anor* [1995] 1 MLJ 160; [1995] 1 CLJ 273;

(b) the two suits raise novel issues on copyright law which will be a precedent for the subordinate courts. Hence, the need for the two suits to be heard in the IP Court;

(c) if the two applications are allowed, this will defeat the very objective of establishing the IP Court;

(d) there is no prejudice to the defendants if the two suits are tried in the IP Court because:

(i) KL and JB are well-connected by express highways, trains and airplanes. Travelling between KL and JB is common and can be easily done in one day;

(ii) if the two suits are decided in the defendants' favour, the defendants will be adequately compensated in costs; and

(iii) if the two suits are disposed of summarily, trials will not be held. In such a case, witnesses need not travel from JB to KL; and

(e) even if s 23(1) of the CJA has not been satisfied in the two suits, the court has inherent powers under s 23(2) of the CJA to hear the two suits. Ms Su cited *Panaron Sdn Bhd v Univac Switchgear Sdn Bhd* [2015] 9 MLJ 498; [2015] 2 CLJ 286.

THE IP COURT'S JURISDICTION TO TRY CASES

[10] Before I discuss the two applications, it is necessary to clarify the jurisdiction of the IP Court to try cases. This is because of Encik Mohd Fairuz's far-reaching contention that the IP Court can only try IP disputes which arise in KL. For this discussion, I will refer to art 121(1)(a) of the Federal Constitution ('the FC'), the meaning of 'federal law' in art 160(2) of the FC, the definition of 'local jurisdiction' in ss 3, 4 and 23 of the CJA as follows:

FC

Article 121(1) *There shall be two High Courts of co-ordinate jurisdiction and status, namely —*

(a) *one in the States of Malaya, which shall be known as the High Court in Malaya* and shall have its principal registry at such place in the States of Malaya as the Yang di-Pertuan Agong may determine; and

...

... and *the High Courts* and inferior courts *shall have such jurisdiction and powers as may be conferred by or under federal law*.

Article 160(2) *'federal law' means —*

(a) any existing law relating to a matter with respect to which Parliament has power to make laws, being a law continued in operation under Part XIII; and

(b) *any Act of Parliament*;

CJA

s 3 *'local jurisdiction' means —*

(a) *in the case of the High Court in Malaya, the territory comprised in the States of Malaya, namely, Johore, Kedah, Kelantan, Malacca, Negeri Sembilan, Pahang, Penang, Perak, Perlis, Selangor, Terengganu and the Federal Territory of Kuala Lumpur*; and ...

4 *In the event of inconsistency or conflict between this Act and any other written law other than the Constitution in force at the commencement of this Act, the provisions of this Act shall prevail.*

23(1) Subject to the limitations contained in Article 128 of the Constitution *the High Court shall have jurisdiction to try all civil proceedings where —*

(a) *the cause of action arose*;

(b) *the defendant or one of several defendants resides or has his place of business*;

(c) *the facts on which the proceedings are based exist or are alleged to have occurred; or*

(d) any land the ownership of which is disputed is situated,

A *within the local jurisdiction of the Court* and notwithstanding anything contained in this section in any case where all parties consent in writing within the local jurisdiction of the other High Court.

(2) Without prejudice to the generality of subsection (1), the High Court shall have such jurisdiction as was vested in it immediately prior to Malaysia Day and such other jurisdiction as may be vested in it by any written law in force within its local jurisdiction. (Emphasis added.)

[11] I am of the following view regarding the jurisdiction of the IP Court to try cases:

(1) by virtue of art 121(1)(a) of the FC, the IP Court as a High Court in Malaya has jurisdiction as conferred by 'federal law'. The CJA is a 'federal law' as defined art 160(2) of the FC. Section 23(1) of the CJA is a provision which expressly confers jurisdiction on the High Court to try cases. This is clear from Ahmad Maarop FCJ's judgment in the Federal Court case of *Goodness For Import And Export v Phillip Morris Brands Sarl* [2016] 5 MLJ 171, at paras 28 and 31, as follows:

> 28. ... *It is settled law that s 23(1) of the CJA also confers extra-territorial jurisdiction on the High Court, independently of O 11 of the RHC.*
>
> ...
>
> 31. *Does s 23(1) of the CJA apply in this case? In determining the question whether in this case the High Court has jurisdiction under that section, the allegations by the plaintiff in statement of claim must be assumed to be true* ... (Emphasis added.);

(2) according to s 3(a) of the CJA, the 'local jurisdiction' of the High Court in Malaya comprises of the 'territory comprised in the States of Malaya', including the Federal Territory. As such, the IP Court has jurisdiction to try all cases within its 'local jurisdiction' (West Malaysia) which fall within any one of paras (a)–(d) of s 23(1) of the CJA. In this regard, I cannot accede to Encik Mohd Fairuz's submission that the IP Court can only try IP disputes which arise in KL;

(3) s 4 of the CJA has expressly provided that if there is a conflict between the CJA (such as s 23(1)(a)) and any other written law (other than FC), CJA 'shall prevail'. Accordingly, if there is any inconsistency between:

(a) ss 3(a) (definition of 'local jurisdiction') and 23(1)(a) of the CJA on the one part; and

(b) with PD No 6/2013 and CR's Circular No 2/2013 on the other part — s 4 of the CJA clearly provides for ss 3(a) (definition of 'local jurisdiction') and 23(1)(a) of the CJA to prevail over PD No 6/2013 and CR's Circular No 2/2013;

(4) the following decisions have explained the effect of practice directions:

(a) Raja Azlan Shah LP decided in the Federal Court case of *Jayasankaran v Public Prosecutor* [1983] 1 MLJ 379 at p 380, as follows:

> *We are of the view that Practice Note No 2 of 1960 was intended to be no more than a direction for administrative purposes. It cannot be exalted into a rule of law reflecting the true effect of the requirements of s 307 of the (Criminal Procedure Code), and if it is wrong then the position should be recitified. We think it is wrong.* (Emphasis added.);

(b) in *Ooi Bee Tat v Tan Ah Chim & Sons Sdn Bhd & Anor and another appeal* [1995] 3 MLJ 465 at p 470, Zakaria Yatim JCA (as he then was) delivered the Supreme Court's judgment that 'Practice directions are intended to be no more than a direction for administrative purpose'; and

(c) the judgments of Steve Shim CJ (Sabah and Sarawak), Abdul Malek Ahmad FCJ (as he then was) and Mohtar Abdullah FCJ in the majority decision of the Federal Court in *Megat Najmuddin bin Dato Seri (Dr) Megat Khas v Bank Bumiputra (M) Bhd* [2002] 1 MLJ 385 at pp 403–404, 418 and 428, have held, among others, that practice directions do not have statutory authority and cannot supercede or deviate from rules of court;

(5) in view of s 4 of the CJA and the appellate decisions in the above sub-para (4), no reliance can be placed on PD No 6/2013 and CR's Circular No 2/2013 to confine the IP Court's jurisdiction to try IP disputes which arise in KL only; and

(6) for the purpose of deciding whether the High Court in Malaya has jurisdiction to try a case, the court must assume the contents of the two SOC to be true — *Goodness For Import And Export*, at para 31. Based on the two SOC (please see the above para 4), the three facts occurred in JB, within the 'local jurisdiction' (territory in West Malaysia) of the IP Court. Accordingly, the IP Court has the jurisdiction under s 23(1)(a), (b) and/or (c) of the CJA to try these two suits.

THE COURT'S DISCRETIONARY POWER TO TRANSFER CASES UNDER O 57 R 1(1) OF THE RC

[12] The relevant part of O 57 r 1 of the RC provides as follows:

> 1(1) *Where the Judge of the High Court* or a Judge of the Sessions Court or a Magistrate *is satisfied that any proceedings in that Court can be more conveniently or fairly tried in some other Court of co-ordinate jurisdiction, he may on application by any party, order the proceedings to be transferred to the other Court.*

A ...

(4) *Before making any order to transfer any proceedings from —*

(a) *the High Court to another High Court of co-ordinate jurisdiction;*

...

B

the High Court Judge or the Judge of the Sessions Court or Magistrate, as the case may be, *shall take into consideration whether the High Court* or Subordinate Court *which shall hear the case is located at or nearest to the place where —*

(A) the cause of action arose;

C

(B) the defendant, or one of the several defendants, resides or has his place of business;

(C) the facts on which the proceedings are based exist or are alleged to have occurred;

(D) the land the ownership of which is disputed is situated; or

D

(E) for other reasons it is desirable in the interests of justice that the proceedings should be transferred. (Emphasis added.)

[13] I am of the following opinion concerning O 57 r 1(1) of the RC:

E

(a) Order 57 r 1(1) of the RC is not found in the previous Rules of the High Court 1980. Prior to the introduction of O 57 r 1(1) of the RC, civil cases have been transferred by relying on s 20 of the CJA and para 12 of the Schedule to the CJA (para 12). Section 20 of the CJA and para 12 read as follows:

F

20 The distribution of business among the Judges of the High Court shall be made in accordance with such directions, which may be of a general or a particular nature, as may be given by the Chief Judge.

Paragraph 12

G

Power to transfer any proceedings to any other Court or to or from any subordinate court, and in the case of transfer to or from a subordinate court to give any directions as to the further conduct thereof:

Provided that this power shall be exercised in such manner as may be prescribed by any rules of court.

H

Previous cases regarding the court's power to transfer cases based on s 20 of the CJA and/or para 12 do not apply to the construction of O 57 r 1(1) of the RC;

I

(b) in *Hap Seng Plantations (River Estates) Sdn Bhd v Excess Interpoint Sdn Bhd & Anor* [2016] 3 MLJ 553 at para 19, Zulkefli Makenudin CJ (Malaya) in the Federal Court held, among others, O 57 r 1(1) of the RC does not allow a transfer of cases between the High Court of Malaya and the High Court in Sabah and Sarawak. The High Court's decision in *Asia Debut* (which allowed the transfer of a case from the KL High Court to

the High Court in Kota Kinabalu), cited by the defendants' learned counsel, was not followed in *Hap Seng Plantations (River Estates)*;

(c) O 57 r 1(1) of the RC provides a discretionary power for the court to transfer cases. This is clear from the use of the permissive term 'may' in O 57 r 1(1) of the RC. In exercising the court's discretionary power under O 57 r 1(1) of the RC, there are two cumulative conditions to be fulfilled, namely:

(i) the court 'shall take into consideration' the matters enumerated in O 57 r 1(4)(A)–(E) of the RC ('the first condition'); and

(ii) the court 'is satisfied that any proceedings in that court can be more conveniently or fairly tried in some other court' ('the second condition'); and

(d) the exercise of the court's discretion to grant a transfer or otherwise in a particular case, must necessarily depend on the particular affidavit evidence adduced in the case in question. As such, the exercise of judicial discretion in a transfer application under O 57 r 1(1) of the RC, is not a binding precedent from the view point of the stare decisis doctrine.

SHOULD IP COURT TRANSFER TWO SUITS TO JB COURT?

[14] In deciding these two applications:

(1) regarding the first condition:

(a) I am of the view that the following matters are relevant in the exercise of the court's discretion to transfer the two suits to JB Court:

(i) the cause of action for the two suits arose in JB — O 57 r 1(4)(A) of the RC;

(ii) the defendants' places of business are in JB — O 57 r 1(4)(B) of the RC. The residential addresses of the defendants' directors are not relevant because under s 16(5) of the Companies Act 1965, the defendants are legal entities which are separate from their directors, shareholders and employees; and

(iii) the facts on which the two suits are based, are alleged to have occurred in JB — O 57 r 1(4)(C) of the RC; and

(b) the following matters do not constitute reasons whereby 'it is desirable in the interests of justice that the proceedings should be transferred' to JB Court under O 57 r 1(4)(E) of the RC:

(i) the expense, time and inconvenience for the defendants' witnesses and KPDNKK officers to travel from JB to the IP Court

to testify in these two suits. Such reasons are not relevant because firstly, all the parties in these cases may consent to a court order under O 38 r 2(1) of the RC to allow these witnesses to testify in JB through Skype — please see *China Harbour Engineering Company Ltd v Lunar Shipping Agencies Sdn Bhd* [2016] MLJU 1252; [2016] AMEJ 1185, at sub-para 47(2)(d);

(ii) even if the defendants' witnesses and KPDNKK officers have to travel from JB to testify in the IP Court, if the defendants succeed at the end of the trial, the defendants will be sufficiently compensated in respect of all the expenses incurred by the defendants' witnesses and KPDNKK officers, in the form of costs to be paid by the plaintiffs to the defendants; and

(iii) all the parties in the two suits may consent to the contents of the servers as 'Part B' documents under O 34 r 2(2)(e)(i) of the RC, namely parties may only dispute the weight to be attached to the contents of the servers but not their authenticity. Even if the parties cannot agree that the contents of the servers be classified as 'Part B' documents, the expense incurred by KPDNKK in adducing the servers at the trial of these cases, can be claimed by the defendants as part of the costs of the two suits (provided that the defendants succeed at the end of the trial); and

(2) in respect of the second condition, despite the fact that the three facts are relevant under O 57 r 1(4)(A)–(C) of the RC (please see the above para 14(1)(a)), I have declined to exercise my discretion under O 57 r 1(1) of the RC to transfer the two suits to JB Court ('this decision'). This decision is premised on the following reasons:

(a) there is no affidavit evidence to show why the two suits cannot be 'fairly tried' in the IP Court;

(b) the two suits can be 'more conveniently' tried in the IP Court which specialises solely in IP matters. There is no IP Court in JB;

(c) the purposes for establishing the IP Court on 17 July 2007 are:

(i) to promote, if not ensure, the uniformity, consistency and predictability in the development of IP jurisprudence and case law by the IP Court;

(ii) the uniformity, consistency and predictability in IP jurisprudence and case law as developed by the IP Court, may in turn:

(iia) attract foreign investors in respect of IP matters to this country;

(iib) benefit all parties who deal with or are involved in IP matters; and

(iic) assist IP practitioners, be they be lawyers, patent agents and trademark agents; and

(iii) to promote IP specialisation of the judge or judicial commissioner sitting in IP Court; and

(d) the very objective of establishing the IP Court will be defeated by allowing the transfer of the two suits to JB Court. In fact, IP cases which have been filed in West Malaysia in High Courts outside KL, should be transferred to the IP Court under O 57 r 1(1) of the RC so as to achieve the very purpose of constituting the IP Court. Accordingly, the fact that the six other cases have been filed in KL subordinate courts, are consistent with the purposes for setting up the IP Court.

DECISION

[15] Premised on the above reasons, the two applications are dismissed with costs of RM2,000 for each application and an allocatur fee shall be imposed on the above costs in accordance with O 59 r 7(4) of the RC.

Defendants' applications dismissed with costs of RM2,000 subject to allocatur.

Reported by Dzulqarnain Ab Fatar